

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

DOLORES J. MURPHY, as Trustee of the
CHARLES M. MURPHY
ADMINISTRATIVE TRUST,

Plaintiff,

v.

UNITED STATES OF AMERICA,

Defendant.

Case No. 1:24-cv-00260-KES-BAM

**~~[PROPOSED]~~ ORDER RE STIPULATION
TO CONTINUE JOINT SCHEDULING
REPORT DEADLINE AND
MANDATORY SCHEDULING
CONFERENCE DUE TO LAPSE OF
APPROPRIATIONS (ECF NOS. 42, 43)**

Plaintiff Dolores J. Murphy, as Trustee of the Charles M. Murphy Administrative Trust (the "Administrative Trust"), initiated this suit for refund of tax/civil penalties against Defendant, the United States of America, on February 29, 2024. (ECF No. 1). Defendant United States filed its Answer in this case on March 4, 2025. (ECF No. 33). The initial mandatory scheduling conference is currently scheduled for November 13, 2025. (ECF No. 42).

A complete summary of the prior procedural history of this case and the parties' settlement negotiations through September 8, 2025, is set forth in the Joint Status Report and Stipulation to Continue Joint Scheduling Report Deadline and Mandatory Scheduling Conference filed on September 9, 2025, (ECF No. 41).

The parties have proffered that between September 8, 2025, and September 16, 2025, counsel for Defendant United States prepared and sent counsel for Plaintiff Dolores J. Murphy, as Trustee of the Administrative Trust, several drafts of a proposed settlement offer

1 acknowledgement letter to confirm the revised terms of Defendant United States' alternate
2 settlement recommendation of this case originally presented to Plaintiff Dolores J. Murphy, as
3 Trustee of the Administrative Trust, on May 16, 2025, and that the terms of these drafts of
4 proposed settlement offer acknowledgement letters were reviewed by counsel for Plaintiff Dolores
5 J. Murphy, as Trustee of the Administrative Trust, and then negotiated by counsel for the parties.

6 The parties have proffered that On September 16, 2025, counsel for Defendant United
7 States sent counsel for Plaintiff Dolores J. Murphy, as Trustee of the Administrative Trust, a
8 revised, final version of a settlement offer acknowledgement letter to confirm the terms of the
9 agreed upon settlement of this case negotiated by the parties and their counsel (the "09/16/2025
10 Settlement Offer Acknowledgement Letter"), and that on September 23, 2025, the counsel for
11 Plaintiff Dolores J. Murphy, as Trustee of the Administrative Trust, approved and executed the
12 09/16/2025 Settlement Offer Acknowledgement Letter, as counsel for Plaintiff Dolores J. Murphy,
13 as Trustee of the Administrative Trust, and returned the executed 09/16/2025 Settlement Offer
14 Acknowledgement Letter to counsel for Defendant United States.

15 The parties have proffered that the settlement offer of Plaintiff Dolores J. Murphy, as
16 Trustee of the Administrative Trust, set forth in the 09/16/2025 Settlement Offer
17 Acknowledgement Letter will be processed in accordance with the Department of Justice Tax
18 Division's settlement procedures, and that under these procedures, any settlement of this case must
19 be reviewed and approved by the authorized delegate of the Attorney General of the United States.
20 Specifically, counsel for Defendant United States must prepare a settlement memorandum setting
21 forth his recommendation and his reasoning, which settlement memorandum, together with a copy
22 of the 09/16/2025 Settlement Offer Acknowledgement Letter, will be sent to the authorized
23 delegate of the Attorney General of the United States with settlement authority over this case for
24 Defendant United States for final action on the settlement offer.

25 The parties have proffered that counsel for Defendant United States intends to recommend
26 acceptance of the settlement offer of Plaintiff Dolores J. Murphy, as Trustee of the Administrative
27 Trust, set forth in the 09/16/2025 Settlement Offer Acknowledgment Letter and that his
28 recommendation, as counsel for Defendant United States, is accorded great weight since the trial
attorneys for each case are the best informed about the facts and law applicable to their cases.

The parties have proffered that as of September 9, 2025, counsel for Defendant United

1 States expected a final decision on the settlement offer of Plaintiff Dolores J. Murphy, as Trustee
2 of the Administrative Trust, set forth in the 09/16/2025 Settlement Offer Acknowledgment Letter
3 from the authorized delegate of the Attorney General of the United States by October 8, 2025.

4 The parties have proffered that since on September 30, 2025, the appropriations act that
5 had been funding the Department of Justice expired and those appropriations to the Department of
6 Justice lapsed, Department of Justice attorneys (including counsel for Defendant United States in
7 this case) and other employees were furloughed and are prohibited under 31 U.S.C. § 1342 from
8 working, even on a voluntary basis, except in very limited circumstances, including “emergencies
9 involving the safety of human life or the protection of property.” .

10 The parties have proffered that as a result of the lack of appropriations and the furloughing
11 of counsel for Defendant United States in this case, he has been unable to complete the preparation
12 of a settlement memorandum setting forth his recommendation and his reasoning for
13 recommending approval of the settlement offer of Plaintiff Dolores J. Murphy, as Trustee of the
14 Administrative Trust, set forth in the 09/16/2025 Settlement Offer Acknowledgment Letter, or to
15 send such settlement memorandum, together with a copy of the 09/16/2025 Settlement Offer
16 Acknowledgement Letter, to the authorized delegate of the Attorney General of the United States
17 with settlement authority over this case for Defendant United States for final action on the
18 settlement offer, delaying the required approval of the settlement of this case.

19 On November 5, 2025, counsel for Plaintiff Dolores J. Murphy, as Trustee of the
20 Administrative Trust, filed a Joint Status Report and Stipulation to Continue Joint Scheduling
21 Report Deadline and Mandatory Scheduling Conference Due to Lapse of Appropriations (ECF
22 No. 42), providing the Court with an update on the status of the parties’ settlement discussions in
23 this case, the delays caused by the lack of appropriations and the furloughing of counsel for
24 Defendant United States in this case, and stipulating to a continuance of the mandatory
25 scheduling conference by sixty (60) days to January 12, 2026, or such other date as may be
26 determined by the Court, to give counsel for Defendant United States additional time to complete
27 the preparation of a settlement memorandum setting forth his recommendation and his reasoning
28 for recommending approval of the settlement offer of Plaintiff Dolores J. Murphy, as Trustee of

1 the Administrative Trust, set forth in the 09/16/2025 Settlement Offer Acknowledgment Letter,
2 and to send such settlement memorandum, together with a copy of the 09/16/2025 Settlement
3 Offer Acknowledgement Letter, to the authorized delegate of the Attorney General of the United
4 States with settlement authority over this case for Defendant United States for final action on the
5 settlement offer.

6 Given the parties' progress toward the settlement of this case without the need for trial or
7 further discovery, and the impact of the delays caused by the lack of appropriations and the
8 furloughing of counsel for Defendant United States in this case, it is appropriate to continue the
9 Mandatory Scheduling Conference and associated deadline for the parties to file a joint scheduling
10 report with the Court to save the Court and the parties the time and expense of preparing for the
11 Mandatory Scheduling Conference while the counsel for Defendant United States seeks the approval of
12 the settlement offer of Plaintiff Dolores J. Murphy, as Trustee of the Administrative Trust, set forth
13 in the 09/16/2025 Settlement Offer Acknowledgement Letter by the authorized delegate of the Attorney
14 General of the United States which would make this hearing unnecessary.

15 The Court finds that good cause exists to grant the requested extension of the mandatory
16 scheduling conference in this case.

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